



February 25, 2005

SENATE BILL No. 269

DIGEST OF SB 269 (Updated February 23, 2005 2:08 pm - DI 104)

Citations Affected: IC 27-8; IC 27-13; noncode.

Synopsis: Health coverage mandate option. Allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to provide a policy or contract without complying with all health benefit mandates. Requires insurers and health maintenance organizations to report specified information to the department of insurance (department) concerning these policies and contracts. Requires the department to report this information and other specified information to the legislative council.

Effective: July 1, 2005.

Miller

January 6, 2005, read first time and referred to Committee on Health and Provider Services.
February 24, 2005, amended, reported favorably — Do Pass.

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February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 269

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]:

4 **Chapter 13.5. Health Benefit Mandate Option**

5 **Sec. 1. As used in this chapter, "health benefit mandate" means**
6 **any of the following requirements for coverage in, or an offering**
7 **of coverage that must be made in connection with the purchase of,**
8 **a policy of accident and sickness insurance, to the extent that the**
9 **coverage is not required under federal law:**

- 10 (1) Newborn coverage under IC 27-8-5.6.
11 (2) Breast cancer screening related coverage under
12 IC 27-8-14.
13 (3) Morbid obesity related coverage under IC 27-8-14.1.
14 (4) Pervasive developmental disability related coverage under
15 IC 27-8-14.2.
16 (5) Diabetes related coverage under IC 27-8-14.5.
17 (6) Prostate cancer screening related coverage under

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IC 27-8-14.7.

(7) Colorectal cancer screening related coverage under IC 27-8-14.8.

(8) Off label drug treatment coverage under IC 27-8-20.

(9) Minimum maternity related benefits under IC 27-8-24.

(10) Inherited metabolic disease related coverage under IC 27-8-24.1.

(11) Mastectomy related coverage under IC 27-8-5-26.

(12) Mental illness related coverage under IC 27-8-5-15.6.

(13) Dental anesthesia related coverage under IC 27-8-5-27.

(14) Adopted child coverage under IC 27-8-5-21.

Sec. 2. As used in this chapter, "insurer" refers to an insurer (as defined in IC 27-1-2-3) that issues or delivers a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. As used in this chapter, "prospective purchaser" means an:

(1) individual who requests coverage under a policy of accident and sickness insurance issued on an individual basis; or

(2) employer that:

(A) employs not more than fifty (50) employees;

(B) requests coverage for the employer's employees under a policy of accident and sickness insurance issued on a group basis; and

(C) has not provided coverage for health care services (as defined in IC 27-13-1-18) for the employer's employees during the preceding calendar year.

Sec. 5. Notwithstanding any other law, an insurer may offer to a prospective purchaser a policy of accident and sickness insurance without complying with all health benefit mandates if:

(1) when the offer is made, the insurer provides a list of the health benefit mandates with which the offer does not comply; and

(2) the policy offered includes the following:

(A) Newborn coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in section 4(2) of this chapter:

(i) breast cancer screening related coverage required under IC 27-8-14;

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(ii) prostate cancer screening related coverage required under IC 27-8-14.7; and

(iii) colorectal cancer screening related coverage required under IC 27-8-14.8.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 6. An insurer that offers to a prospective purchaser a policy of accident and sickness insurance described in section 5 of this chapter shall also offer to the prospective purchaser a policy of accident and sickness insurance in compliance with all health benefit mandates.

Sec. 7. An insurer that issues or delivers a policy of accident and sickness insurance described in section 5 of this chapter shall provide to an individual insured under the policy of accident and sickness insurance a written disclosure that:

(1) acknowledges that the policy of accident and sickness insurance is not issued in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the policy of accident and sickness insurance.

SECTION 2. IC 27-13-1-17.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17.6. "Health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, an individual contract or a group contract, to the extent that the coverage is not required under federal law:

(1) Newborn coverage under IC 27-8-5.6.

(2) Breast cancer screening related coverage under IC 27-13-7-15.3.

(3) Morbid obesity related coverage under IC 27-13-7-14.5.

(4) Pervasive developmental disability related coverage under IC 27-13-7-14.7.

(5) Diabetes related coverage under IC 27-8-14.5.

(6) Prostate cancer screening related coverage under IC 27-13-7-16.

(7) Colorectal cancer screening related coverage under IC 27-13-7-17.

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(8) Off label drug treatment coverage under IC 27-8-20.

(9) Minimum maternity related benefits under IC 27-8-24.

(10) Inherited metabolic disease related coverage under IC 27-13-7-18.

(11) Mastectomy related coverage under IC 27-13-7-14.

(12) Mental illness related coverage under IC 27-13-7-14.8.

(13) Dental anesthesia related coverage under IC 27-13-7-15.

(14) Adopted child coverage under IC 27-8-5-21.

SECTION 3. IC 27-13-1-27.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 27.8. "Prospective purchaser" means an:**

(1) individual who requests coverage under an individual contract; or

(2) employer that:

(A) employs not more than fifty (50) employees;

(B) requests coverage for the employer's employees under a group contract; and

(C) has not provided coverage for health care services for the employer's employees during the preceding calendar year.

SECTION 4. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 7.5. Health Benefit Mandate Option

Sec. 1. Notwithstanding any other law, a health maintenance organization may offer to a prospective purchaser an individual contract or a group contract without complying with all health benefit mandates if:

(1) when the offer is made, the health maintenance organization provides a list of the health benefit mandates with which the offer does not comply; and

(2) the contract includes the following:

(A) Newborn coverage that is substantially similar to the coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in IC 27-13-1-27.8(2):

(i) breast cancer screening related coverage required under IC 27-13-7-15.3;

(ii) prostate cancer screening related coverage required under IC 27-13-7-16; and

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(iii) colorectal cancer screening related coverage required under IC 27-13-7-17.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.

Sec. 3. A health maintenance organization that enters into an individual contract or a group contract described in section 1 of this chapter shall provide to an enrollee a written disclosure that:

(1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the individual contract or group contract.

SECTION 5. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "department" refers to the department of insurance created by IC 27-1-1-1.

(b) An insurer that issues or delivers a policy of accident and sickness insurance described in IC 27-8-13.5-5, as added by this act, and a health maintenance organization that enters into a contract described in IC 27-13-7.5-1, as added by this act, shall report the following information to the department not later than November 15, 2006:

(1) The number of policies or contracts described in this subsection that are issued by the insurer or entered into by the health maintenance organization and the number of individuals covered under each policy or contract.

(2) The premium for each policy or contract described in this subsection.

(3) The difference between:

(A) the premium described in this subsection; and

(B) the premium of any other policy or contract offered to the employer that purchased the policy by the insurer or health maintenance organization.

(c) Not later than December 1, 2006, the department shall

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- 1 compile the information reported to the department under
2 subsection (b) and report the information to the legislative council
3 in an electronic format under IC 5-14-6. The department:
4 (1) shall include in the report information concerning the
5 number of uninsured individuals in Indiana; and
6 (2) may include any other information in the report that the
7 department determines is relevant.
8 (d) This SECTION expires December 31, 2006.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 269, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 5, delete "(a)".

Page 1, line 6, delete "a requirement under this title, except as provided in this" and insert **"any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, a policy of accident and sickness insurance, to the extent that the coverage is not required under federal law:**

- (1) Newborn coverage under IC 27-8-5.6.
- (2) Breast cancer screening related coverage under IC 27-8-14.
- (3) Morbid obesity related coverage under IC 27-8-14.1.
- (4) Pervasive developmental disability related coverage under IC 27-8-14.2.
- (5) Diabetes related coverage under IC 27-8-14.5.
- (6) Prostate cancer screening related coverage under IC 27-8-14.7.
- (7) Colorectal cancer screening related coverage under IC 27-8-14.8.
- (8) Off label drug treatment coverage under IC 27-8-20.
- (9) Minimum maternity related benefits under IC 27-8-24.
- (10) Inherited metabolic disease related coverage under IC 27-8-24.1.
- (11) Mastectomy related coverage under IC 27-8-5-26.
- (12) Mental illness related coverage under IC 27-8-5-15.6.
- (13) Dental anesthesia related coverage under IC 27-8-5-27.
- (14) Adopted child coverage under IC 27-8-5-21."

Page 1, delete lines 7 through 16.

Page 2, line 11, delete "seventy-five (75)" and insert **"fifty (50)"**.

Page 2, delete line 12.

Page 2, line 15, delete "basis." and insert **"basis; and**

(C) has not provided coverage for health care services (as defined in IC 27-13-1-18) for the employer's employees during the preceding calendar year."

Page 2, between lines 32 and 33, begin a new line double block indented and insert:

"(D) Adopted child coverage required under IC 27-8-5-21.

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(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3)."

Page 3, line 9, delete "(a)".

Page 3, line 10, delete "a requirement under this title, except as provided" and insert **"any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, an individual contract or a group contract, to the extent that the coverage is not required under federal law:**

- (1) Newborn coverage under IC 27-8-5.6.**
- (2) Breast cancer screening related coverage under IC 27-13-7-15.3.**
- (3) Morbid obesity related coverage under IC 27-13-7-14.5.**
- (4) Pervasive developmental disability related coverage under IC 27-13-7-14.7.**
- (5) Diabetes related coverage under IC 27-8-14.5.**
- (6) Prostate cancer screening related coverage under IC 27-13-7-16.**
- (7) Colorectal cancer screening related coverage under IC 27-13-7-17.**
- (8) Off label drug treatment coverage under IC 27-8-20.**
- (9) Minimum maternity related benefits under IC 27-8-24.**
- (10) Inherited metabolic disease related coverage under IC 27-13-7-18.**
- (11) Mastectomy related coverage under IC 27-13-7-14.**
- (12) Mental illness related coverage under IC 27-13-7-14.8.**
- (13) Dental anesthesia related coverage under IC 27-13-7-15.**
- (14) Adopted child coverage under IC 27-8-5-21."**

Page 3, delete lines 11 through 20.

Page 3, line 28, delete "seventy-five (75)" and insert **"fifty (50)"**.

Page 3, delete line 29.

Page 3, line 31, delete "contract." and insert **"contract; and (C) has not provided coverage for health care services for the employer's employees during the preceding calendar year."**

Page 4, between lines 12 and 13, begin a new line double block indented and insert:

**"(D) Adopted child coverage required under IC 27-8-5-21.
(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3)."**

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Page 4, after line 27, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "department" refers to the department of insurance created by IC 27-1-1-1.

(b) An insurer that issues or delivers a policy of accident and sickness insurance described in IC 27-8-13.5-5, as added by this act, and a health maintenance organization that enters into a contract described in IC 27-13-7.5-1, as added by this act, shall report the following information to the department not later than November 15, 2006:

(1) The number of policies or contracts described in this subsection that are issued by the insurer or entered into by the health maintenance organization and the number of individuals covered under each policy or contract.

(2) The premium for each policy or contract described in this subsection.

(3) The difference between:

(A) the premium described in this subsection; and

(B) the premium of any other policy or contract offered to the employer that purchased the policy by the insurer or health maintenance organization.

(c) Not later than December 1, 2006, the department shall compile the information reported to the department under subsection (b) and report the information to the legislative council in an electronic format under IC 5-14-6. The department:

(1) shall include in the report information concerning the number of uninsured individuals in Indiana; and

(2) may include any other information in the report that the department determines is relevant.

(d) This SECTION expires December 31, 2006."

and when so amended that said bill do pass.

(Reference is to SB 269 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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